## The Jerome N. Frank Legal Services Organization

YALE LAW SCHOOL

February 28, 2023, Public Hearing Testimony before the Connecticut General Assembly's Housing Committee

## In Support of:

## Committee Bill No. 4:

## AN ACT CONCERNING CONNECTICUT'S PRESENT AND FUTURE HOUSING NEEDS

Dear Senator Moore, Representative Luxenberg, Vice Chair Lesser and Vice Chair Khan, Senator Sampson, Representative Scott, and members of the Housing Committee,

Thank you for the opportunity to testify in support of Committee Bill 4: An Act Concerning Connecticut's Present and Future Housing Needs.

We are Nketiah Berko, A.J. Hudson, and Kyle Richmond-Crosset, students in the Community and Economic Development Clinic at Yale Law School. The clinic supports clients that share an interest in promoting economic opportunity and socioeconomic mobility among low- and moderate-income people. Our clients include non-profit housing developers, tenant groups, and other groups invested in affordable and equitable housing in Connecticut.

We write to support Section 1 of the Committee Bill 4, while also proposing several critical changes that ensure everyone has a dignified and affordable place to call home in Connecticut. Specifically, we are calling for a lower annual rent cap of 2.5% and an expansion of good cause eviction protections to cover all tenants.

Limiting the maximum annual rent increase to no more than 2.5% per year is reasonable and ensures tenants are not subject to unaffordable rates. The average annual rent increase by Connecticut landlords since 1945 is 1.92%, so a rent cap of 2.5% would not be onerous for the vast majority of existing landlords.<sup>2</sup> In contrast, over a period of many years, a 4% rent cap could allow rents to spiral out of control. For example, a 4% annual rent cap, in addition to the historical average inflation rate of 2.5%, would increase the price of a rental that costs \$1,713 – the average rental price in Connecticut in 2022 – to \$3,019 in 10 years. In comparison, a 2.5% rent cap would limit rent for the same rental to a maximum of \$2,657 in 10 years, a difference of almost 14%.

Good cause eviction protections prohibit landlords from evicting tenants without a reasonable cause. Currently, Connecticut state law provides these protections only to people over the age of 62 and those living with disabilities, but we believe it should be expanded to cover all Connecticut tenants. Such protections are a clear best practice in several states, including New Jersey, Oregon, and New

<sup>&</sup>lt;sup>1</sup> https://law.yale.edu/studying-law-yale/clinical-and-experiential-learning/our-clinics/ludwig-center-community-economic-development

<sup>&</sup>lt;sup>2</sup> https://ipropertymanagement.com/research/average-rent-by-year

Hampshire.<sup>3</sup> Including good-cause eviction protections is likely to lead to longer-term rentals, which increases community stability and ensures families of all incomes can live in the Connecticut neighborhoods they know and love without worrying about being evicted without reasonable justification. In their absence, the situation for Connecticut tenants has been incredibly difficult. The Connecticut Fair Housing Center, for instance, has found that "no-fault evictions more than doubled from August to December 2021 compared to August to December 2019, threatening to displace tenants who have few options in a tight rental market." <sup>4</sup>

Good cause eviction protections and rent caps are complementary policies that fail to protect tenants if not implemented in tandem. Consider a policy landscape with a rent cap but without good cause eviction protections. Landlords could evict tenants at the end of each year, increase rents in excess of the rent cap, and repeat this process ad infinitum, effectively increasing rent at a rate in excess of the stated rent cap. Now consider the reverse situation, where good cause eviction protections are implemented without a rent cap. In this case, landlords could effectively evict tenants without justification by increasing rent exorbitantly, all without technically violating the good cause eviction protections.

Finally, we want to reaffirm that well-designed rent stabilization policies do not negatively impact housing development or housing quality. In New Jersey, for instance, where over 100 cities have rent stabilization, a study that compared cities with and without rent stabilization found that there was no significant relationship between rent stabilization and new housing construction.<sup>5</sup> Moreover, the claim that rent stabilization impacts housing quality is false. Maintenance has always been an issue for renters long before this policy and will continue to be one that needs to be addressed with other complementary policies. Instituting vigorous good cause and rent stabilization protections will ensure that tenants can ask for repairs with the safety and security of knowing that their landlord cannot displace them, whether by increasing their rent or evicting them for asking. These protections will therefore protect the ability of tenants to advocate for their right to safe and habitable housing without fear of retaliation.

Sincerely,

Nketiah Berko, A.J. Hudson, and Kyle Richmond-Crosset

<sup>&</sup>lt;sup>3</sup> Jade Vasquez and Sarah Gallagher, *Promoting Housing Stability Through Just Cause Eviction Legislation*, National Low Income Housing Coalition (May 17, 2022), available at <a href="https://nlihc.org/resource/promoting-housing-stability-through-just-cause-eviction-legislation">https://nlihc.org/resource/promoting-housing-stability-through-just-cause-eviction-legislation</a>.

<sup>&</sup>lt;sup>5</sup> Joshua D. Ambrosius et. al., Forty years of Rent Control: Reexamining New Jersey's Moderate Local Policies after the Great Recession, 49 Political Science Faculty Publications 121-133 (2015).